

The American Observer

A free, virtuous, and enlightened people must know well the great principles and causes on which their happiness depends.—James Monroe

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LEO FOR NEW YORK TIMES



JUSTUS IN MINNEAPOLIS STAR



LEO FOR NEW YORK TIMES

ERNEST BEVIN (left), Britain's Foreign Minister, and Georges Bidault (right), Foreign Minister of France, are taking a leading part in the attempt to chart Europe's needs so that the Continent can qualify for American aid under the Marshall Plan. Chief stumbling block ahead of them is the fact that Russia and her satellites have refused to take part in a reconstruction program for all of Europe.

Comment on Marshall Plan

Press Weighs Meaning of Russia's Refusal to Join Other European Countries
In Drawing up Program for Reconstruction of the War-torn Continent

Russia's rejection of the Marshall Plan and the decision of Great Britain and France to cooperate with the United States in the program for the economic reconstruction of Europe despite the Soviet withdrawal are developments of highest importance. These decisions may deeply affect the course of history.

This turn of events has been subjected to close scrutiny by the American press. What is the explanation of Russia's action and what will the consequences be? What new problems of foreign policy must America consider? Such questions as these are being actively discussed by editors and political writers. In the article which follows we reprint comments from the press of the nation.

Barnet Nover in *The Washington Post*. One important reason for the Russian stand at Paris lies in the circumstance that Europe's economic recovery, in the form it would take if the original Anglo-French-American plans were carried out, would, in the eyes of the Kremlin, be injurious to Russia's political interests.

A continent-wide program of mutual aid would inevitably recreate the old and powerful ties that bound eastern Europe to western Europe. That would inevitably mean a lessening of eastern Europe's present and forced dependence on Russia.

An even more powerful motive for Russia's refusal to join with Great Britain and France in carrying out the Marshall plan is to be found in the Russian attitude toward the United States.

Russia's only rival, as they see it, is the United States, whose power and whose resources they do not and cannot discount. They are firmly convinced, however, that the United States is headed for an economic tailspin.

When that happens, all Europe and a large part of the rest of the world will be wide open to Russian penetra-

tion. They are determined to do nothing that would postpone such a development. And they regard the Marshall Plan as a frantic move by the United States to avert impending economic disaster by building up the economy of European nations which, in consequence, would then be tied to Uncle Sam's chariot.

What we now have in Europe is a tug of war.

We can be sure that Russia will employ every form of direct political pressure and fifth-column tactics to prevent the Marshall plan from being successfully carried out.

All these stratagems will not work, however, unless the Western Powers, and particularly the United States, fall down on their job.

Saul K. Padover in *PM*. Russia's refusal to co-operate in the Marshall

Plan has split Europe from top to bottom; it has also sharpened the ideological war. From now on, our generation will be living in a world that is divided into two unbridged halves, in an atmosphere of tensions and suspicions.

From where we sit, the Russian gamble seems hideously reckless and irresponsible. It looks like a deliberate Soviet move to keep the world in a state of disorder and disunity, so as to give Communism its chance to reap the fruit of chaos. This may well be so. Whatever the motives and the final results, the Russians cannot escape the major responsibility for splitting Europe in two and for hastening a war of ideologies.

The Soviet gamble is, of course, based on the assumption that in the

(Continued on page 2)

Germany's Role On the Continent

Recovery of Nation's Industry Said to Be Key to Prosperity in Europe

The facts presented in this article were taken from a recent lecture by M. S. Szymczak on "American Economic Policy in Germany." Mr. Szymczak, a member of the Board of Governors of the Federal Reserve System, has just returned from Germany, where he was Director of the Economics Division of the American Military Government. His lecture was delivered before the Institute on the United States in World Affairs, which is conducted by the American University of Washington, D. C., in cooperation with the Civic Education Service. Mr. Szymczak's discussion underlines the importance of Germany in the rehabilitation of Europe.

AS one of the four victorious powers now occupying Germany, the United States assumes a large share of responsibility for the recovery of our former enemy. Our policy is to hasten that recovery by every possible means, not because we wish a "soft" peace for the Germans, but because it is necessary for Germany to make her contribution toward the economic recovery and political security of Europe. Germany herself must be rebuilt if she is to help in rebuilding the continent she wrecked by war.

But if Germany recovers sufficiently to help in restoring Europe, isn't she likely to resume her aggressive role and once again threaten the security of her neighbors? When we recall how she behaved after her recovery

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On Changing Your Mind

By Walter E. Myer

IT would be a good thing if each individual were to keep a diary in which he jotted down, not only outward events, but thoughts, stressing those ideas which, from day to day, seemed most interesting, important, or significant. Occasionally, then, the diarist might look back over his record to see how consistent he had been. In most cases he would probably find a surprising degree of inconsistency.

Opinions held at one time will be reversed a little later. These changes may come so slowly that a person is not conscious of them. He does not know how often he changes his mind unless there is some means of confronting him with a record. He assumes a greater degree of continuity and consistency in his thinking than really exists.

This changing of the mind is, on the whole, a good thing. There is no reason, of course, why anyone should adopt new ideas merely because they are new, or why he should discard opinions

capriciously or without cause. It is a fact, however, that change is an essential element of progress. If one holds the same views today that he held a year ago, he has not grown. He is standing still. The discovery of a shifting of opinions with the passage of time is an encouraging symptom. It indicates progressive thinking rather than stagnation.

There is, after all, no peculiar sanctity about opinions formed at the age of twelve or fourteen or sixteen. Why, then, should these opinions stand in preference to those which might be formed at twenty? And why should one not have as much confidence in facts acquired at fifty as at twenty or thirty?

One has reached a sorry state when he assumes, even subconsciously, that his powers of fact finding and analysis are less acute than they once were. We all need to be bound less by the assumptions we chanced to form yesterday. We need a greater confidence in

the facts and ideas of today and a greater faith in the possibility of tomorrow's discoveries.

"A foolish consistency," says Emerson, "is the hobgoblin of little minds." Let us not, then, fear to welcome new facts because they oblige us to discard the data which we gathered last year. Let us embrace new ideas if they seem sound to us today, even though they run counter to the thoughts we may have expressed a week ago.

The rapidity of change in our thinking will depend in part upon our age. When we are young and our accumulated experience is slight, new data may be expected to exert a considerable influence upon our thinking. As we grow older and are in possession of a larger body of fact, new data will affect the total of our thinking less. This new material, however, must be given consideration.



Walter E. Myer



UNCLE SAM expects Europe to help in postwar reconstruction

Press Comment

(Continued from page 1)

long run Moscow can beat Washington and London, but especially Washington in political warfare. So long as the war remains nonmilitary, the Kremlin believes itself sure of victory. It thinks it has reasons for its belief.

Soviet calculation in the ultimate struggle for the world, now being fought out politically in Europe, seems to be based upon three main ideas:

The most powerful member of the Western bloc, the U. S. A., is not a European power, but lies outside the immediate sphere of action. Geographically, politically and materially, the U. S. A. is far removed from Europe; this, in Soviet eyes, is one of the weak links in the American armor.

Within the citadels of the Western bloc the Russians have strong allies. In France and Italy, for example, Communists and Left-wing Socialists control the trade unions, whose active opposition could be fatal to any government.

The Soviet ruling group is apparently imbued with the Marxist idea that capitalism as practiced in the West, especially in the U. S. A., is bound to crack up. The resulting unemployment and desperation, therefore, must, in Russian eyes, weaken America and lead to the downfall of all those countries that depend on Washington.

Editorial in Christian Science Monitor. The Kremlin is as yet incapable of understanding the motivation of the Marshall Plan. Moscow can analyze it only in terms of conflict. Mr. Molotov's words showed again and again that the Marshall program, and the Paris meeting in which Russian participation was sought, appeared to Russian leadership only as steps in a contest—an American-Russian contest—for leadership of Europe. We need not press the point farther to find sufficient reason for failure at Paris.

Successful operation of the Marshall Plan on a continent-wide basis would carry the evidence of American economic power and the abundant fruitage of American free enterprise deep into the Russian orbit. It would not be possible for the Russians to obscure the source of this peacetime Lend-Lease, as they did with much wartime Lend-Lease. Nor would it be possible for them to match the quantity, much less the quality, of American aid to Europe. . . .

Everything that Mr. Molotov said at Paris underscored the Russian fear that the United States would use its economic power to establish political control of Europe. . . . If Mr. Molotov knew America better he might be able to convince the other members of the Politburo that the political climate of the United States would not permit the State Department to develop any plan for political domination of Europe.

The Marshall Plan can be "sold" to the American people only as a plan for co-operation in the rehabilitation of Europe and the stabilizing of world trade and political life. It will be sustained only as the fruits of the plan increase the prospect that Europe will in a reasonable time be able to stand alone without American aid.

Outcome of "White War"

Editorial in Chicago Daily News. We enter a new and terribly important phase of our foreign policy. The so-called "white war" is on. This will determine whether the United States, Great Britain and France can build a Western European bloc of nations in opposition to Russian domination of the continent.

The stakes are high, but sooner or later years of diplomatic bluffing had to come to a showdown.

William McGaffin of the *Chicago Daily News* Foreign Service cites two pressing questions which the future must answer:

1. On whose side is time? Molotov, obviously, believes it's on Russia's side. The more Russia can delay and ham-

per the recovery of Western Europe, the better are the chances that Communism will sprout out of the mess.

Others are not so sure. They say: "If the Marshall program succeeds, there will be, as time goes on, less need for American intervention and less opportunity for Russian intervention."

2. Will Congress appropriate the huge sums required by the Marshall program? The suggested yearly sum of six billion dollars is equivalent to the cost of World War II for one month.

Writing from London, Mr. McGaffin says that British observers believe Secretary Marshall would never have submitted his program without first having sounded out enough key figures in Congress to make sure the program had a reasonable chance of approval.

Still, our British friends may be surprised at the amount of opposition that develops to the Marshall Plan in Congress although, ironically enough, the program's chances of success have been materially improved by Molotov's actions at Paris.

Anne O'Hare McCormick in the New York Times. Nobody outside the Kremlin knows (why Russia refuses to cooperate with the Marshall Plan), but it can be assumed that the decision was hard to make. It would have been easy to take part in the preliminary survey. This would commit the Russians to nothing and relieve them of the onus of turning down the first effort at collaboration. If they want the effort to fail they could have accomplished the same end without definitely dividing Europe, if they had pursued the familiar tactics of delay within the conference. But this would mean accepting the principle of inter-European economic cooperation. It would mean opening up Europe.

This evidently, is the sticking point. Either Moscow is sure of its power to sabotage the plan or it prefers a Western bloc to the possible

effects of East-West cooperation. In either case we may expect all-out warfare on the economic front. . . . Russia's withdrawal is a sign of fear—not of the influence of capital on socialism, since our greatest aid is extended to a Socialist government, but of the pull of a system based on human rights on those who are losing the last safeguards of civil liberty.

Russian Error

Editorial in New York Herald Tribune. It is the Russians who have withdrawn from the West, not the West which has banned the Soviet Union. And if the states along Russia's borders are unable to make their contribution toward solving Europe's problem, if they are forced to refuse to share in the benefits of the great plan, it will be because of Russia.

In adopting this course, the Kremlin has made the most serious of its many errors in statecraft since the end of the war. Mr. Molotov has indicated to Europe, including the Russian satellites, that Russia has nothing to offer the world except sterile fears and the dry husks of an outmoded narrow nationalism.

Russia, apparently, is unable to take any action outside her own borders that is not dictated by suspicion of the non-Communist world. She prefers stagnation, the old international anarchy, to any idea that may emerge from the West. It is an attitude that will profit no one, least of all Russia herself. If this is recognized in the Kremlin, Russia may yet attempt to reverse her actions in Paris. If not, she will be isolated by her own fears.

Editorial in the Washington Star. The strengthening of the economy of the West will be the first essential in the two worlds that Russia now seems clearly bent on creating. Given a joint, integrated plan by Britain, France and other cooperating countries, the next essential—essential not only for our friends abroad but for



SIXTEEN NATIONS (in white above) have representatives in Paris discussing economic cooperation for Europe, as was requested by the Marshall Plan. Countries in black are not attending the conference.



The state of the world

FITZPATRICK IN ST. LOUIS POST-DISPATCH

our own economic health and national security—will be extraordinary help from the United States. This help may have to be a kind of peacetime version of lend-lease. It will impose burdens on us. It will cost many billions of dollars. It may even require some types of rationing among us. But we can fail to extend it only at the risk of a European collapse giving the green light to the Kremlin to extend its totalitarian dominion over the whole continent as a prelude to similar expansion in Asia.

Strength Needed

Editorial in the St. Louis Post-Dispatch. From here out, the State Department should be of one mind, and that mind should be centered on the construction of a free and democratic Europe west of the Stettin-Trieste line, with the Russian-dominated countries free to join.

Timid minds in the State Department say a United States of Western Europe is an impossibility, and that men like Senators Fulbright and Thomas are visionaries. These men themselves have been visionaries in thinking that Russia would co-operate placidly with the "capitalistic democracies" it detests. It is time to see how far Western Europe—France, Italy, the Low Countries, the German provinces, Switzerland and Scandinavia—are willing to go in federation if offered American military protection and economic aid.

Molotov and Stalin are not stupid men. They feel confident that, under the iron discipline of Communism, Eastern Europe can outlive the storm, and they are willing to bet that the Western European nations cannot. They know that Russia will have the help of shrewd Communist politicians and propagandists, and of the Communist-dominated trade unions, to see that France, Italy and the others do not come through.

They are sure that mere loans, a continuation of what Congressman Boggs calls "Operation Rathole," will not save Western Europe from collapse. They are betting that American statesmen will not have the audacity and vision to sponsor a plan which can make Western Europe a democratic stronghold.

Will they accept the challenge and prove Russia underestimates them?

Sumner Welles in the Washington Post. There is, unfortunately, to be found in the Marshall proposals the same basic defect as that contained in the original Truman proposals for

help to Greece and Turkey before the latter were amended by Senator Vandenberg.

Why should this Government, which continues to proclaim its faith in the United Nations, have again ignored that organization?

Last March the Economic and Social Council of the United Nations established the Economic Commission for Europe. It was the United States which first proposed its creation. The Soviet Union, after some opposition, voted for its establishment. There is a Russian member on it. All of the European states are represented. Since no veto right exists in the commission, no one power could block approval of a reconstruction program satisfactory to a majority of the European countries.

The commission is to meet early in July. It is scheduled to take over the functions of three other bodies, the Emergency Economic Committee for Europe, the European Coal Organization, and the European Central Inland Transport Organization. Such autonomous agencies as the Food and Agriculture Organization and the International Bank and Monetary Fund are equipped to collaborate with it.

Lacks Money

The commission's major difficulty so far has been that it had no assurance that its recommendations would be implemented with financial support. Now that the United States is urging the European countries to agree upon a cooperative reconstruction program, and is willing to help in making such a program succeed, surely no more suitable planning agency could be found than the United Nations Economic Commission for Europe. . . .

Many of the present controversies and suspicions, which jeopardize the success of the entire plan, could readily have been avoided had Secretary Marshall's proposal included the specific suggestion that the project for economic reconstruction be undertaken on a Pan-European basis, and that the plans be formulated by the Economic Commission for Europe under the Economic and Social Council.

Such a proposal would have done much to strengthen the United Nations at a moment when its authority needs more than ever to be buttressed. And, what in the long run may prove to be equally important, such an approach to the solution of Europe's problems might well have contributed measurably toward laying the foundations for a United States of Europe.

Science at Work

The Army, the Navy, and the Coast Guard are in need of inventions. They want metals that are lighter and stronger than any yet developed. They need gasoline and oil that will operate readily in extreme temperatures. They want a lightweight but extremely efficient gasoline engine.

These and other needs of our armed forces were made known recently by the National Inventors Council, and suggestions by experienced or amateur inventors may be sent to this organization in care of the United States Department of Commerce, Washington, D. C. (The Council is a group of outstanding inventors and public officials appointed in 1940 to study new products and inventive ideas sent in by persons interested in contributing to the war effort.) Some of the inventions on the Council's recent list are described in the paragraphs that follow:

(1) A method by which the soil can be solidified rapidly to a depth of from two to four feet for emergency landing fields and roads is needed. The solidifier should last only for a short time after it is used so that the fields and the roads will not be permanent.

(2) Plastics or a combination of metal alloys and plastics that can be used for bridges, pontoons, and floats—cheaper and lighter than the metals now used—are in demand.

(3) A dry method for developing photographic negatives and prints rapidly is needed. This equipment should be simple and durable and should be able to be used in moving vehicles.

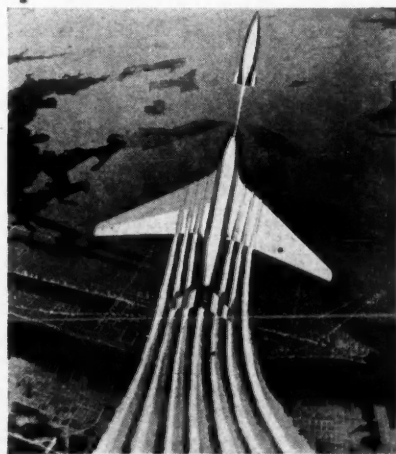
(4) A means of preventing the growth of fungi on all types of material, especially on electrical equipment, is badly needed.

(5) A glider lifeboat that can be launched from water or land and that can light on the water is wanted.

(6) A device to start fog signals when visibility has been reduced to the danger point is needed for light-houses and lightvessels that have no attendants. The detector should not react to the ordinary fluctuations in the daylight.

(7) A miniature radio sender to be used on life-saving equipment is needed. This would be used to help guide rescuers to persons wrecked at sea.

(8) A new method of distilling ocean water is sought. The present devices used for this purpose become clogged with salt and are corroded by the salt water.



Headed for the moon!

ACME

(9) An amphibious boat that will travel equally well on land and water is desired for rescue work along the coasts.

A full list of the inventions which are requested can be obtained from the National Inventors Council in Washington.

* * *

Scientists have laughed at the increasing number of reports that flying disks are being seen in numerous parts of the country. Psychologists say that the reports are an interesting example of national hysteria. A physiologist in Australia, where no flying saucers have been reported, sent a group of students out to stare at the sky for several minutes. A number of them said they saw disks and some drew pictures to illustrate what



SEIBEL IN RICHMOND TIMES DISPATCH

Over his head

they had seen. The physiologist said the effect they saw was due to red corpuscles passing in front of the retina—the sensitive part of the eye.

Nevertheless, as this paper goes to press reports of the sky saucers are still coming in, and those who have seen the disks are convinced their eyes have not played tricks on them. They believe that astronomers will find an explanation as they search the heavens with their telescopes, and that the investigation being conducted by the Army Air Forces will bear fruit.

The skeptics, however, believe the reports will dissolve into space in the same way that the disks are said to disappear. A rear admiral of the Navy backed up the skeptics' views when he reported having seen "a very bright, saucer-shaped disk." "I do not believe this phenomenon was of United States origin," he said. "In fact, it is my opinion that it was the sun ducking behind two clouds."

* * *

Experts believe that the first pilotless guided missile will go from the earth to the moon within the next 10 years. Within another five years, they say, men will probably be able to travel to the moon in rockets. Great Britain and the United States are working together to develop ships that will conquer interplanetary space.

In the accompanying drawing, an artist depicts a moon-bound space ship leaving the back of a carrier plane. It is shown to be 50,000 feet above New York City, flying at 500 miles an hour as it takes off for a trip to the moon.

The Story of the Week

Food Exports

In the last 12 months the United States has sent abroad the largest total of food ever shipped from one country in a single year. More than 18½ million long tons of grain and other food were exported by us during the year ending June 30, President Truman has announced.

Despite this record-breaking effort, the supply of food did not meet the demand in stricken areas. President Truman said that in the future we must continue to relieve human suffering and "to help other countries to help themselves." The "help-themselves" program is the chief theme of the Marshall Plan, which is now being discussed by European nations.

Of last year's total food exports, more than 11 million tons went to Europe while about 3½ million tons were sent to the Far East. More than 10 million tons of wheat and flour alone were shipped to war-devastated areas. It is hoped that grain exports in the next 12 months may equal the record-breaking shipments of the past year. However, the recent floodwaters in the Middle West have made crop forecasts virtually impossible.

Government Surplus

During the last fiscal year, ending June 30, the United States government took in about 753 million dollars



STREETCAR CONDUCTORS. These German girls are helping to make up for the lack of manpower in their country by working on streetcars.

more than it spent. It was the first time in seventeen years that the income exceeded the expenditures.

The surplus will go towards reducing the national debt. Even after the surplus has been applied, the government will still owe more than 258 billion dollars. The debt increased more than five times during the war.

Some Congressmen have said that last year's surplus is a good reason for reducing income taxes. They argue that if the government is receiving more than it spends, the taxpayer should be relieved of some of his burden. They have introduced a bill to reduce income taxes next January. Opponents of the bill say that any surplus should be used to reduce the national debt further.

American Workers

According to a 14-nation survey of industrial workers by the McGraw-Hill Publishing Company's overseas news



YOUNG BUILDERS. To speed construction of houses in England a plan has been adopted by which apprentices, aged 14 to 16, build homes under the supervision of their instructors. The apprentice carpenters in the picture above are 14 years old.

staff, the average American industrial worker enjoys more comforts and leisure than do workers anywhere else in the world. The survey shows that in only 4 of the nations covered—United States, Canada, South Africa, and Sweden—do workers have even the smallest comforts of life.

In each of the 14 countries an automatic screw-machine operator was chosen as the "average" worker. Today in the United States he averages \$1.45 an hour as compared with 94 cents in Great Britain, 82 cents in Canada, 38 cents in Argentina, and 15 cents in Italy. For food the United States worker and his family spend \$28.50 weekly as compared to \$18 in Canada, \$17.60 in France, and \$14.44 in the Netherlands. After paying for food, shelter, and taxes the "average" worker in the United States has about \$20 left as compared to 61 cents for the Italian worker.

In at least four of the nations covered in the survey, it was found that workers get along barely over the subsistence level. Although war devastation has lowered the living standards in European countries, the report discloses that even before the war the American worker was better off than his European counterpart. For example, in 1940 the American worker could buy 7½ pounds of bread with an hour's work. For the same period the Russian laborer could buy less than 2 pounds.

Coal Contract

The threatened shutdown of the nation's soft coal mines has been averted. John L. Lewis and his United Mine Workers have signed a one-year contract with nearly all of the soft coal industry, bringing to the miners the greatest wage gains in the history of the union.

By the terms of the contract the miners receive an hourly wage increase of about forty-four cents. Other articles provide for a shorter work day of eight hours as against nine, lengthening of the lunch period by fifteen minutes, and an increase from 5 to 10 cents a ton for the welfare fund. The contract also appears to free the miners from certain responsibilities that they had accepted in previous

contracts. This provision is aimed at saving the union from some of the restrictions of the Taft-Hartley Labor Act.

The wage of a soft coal miner for a forty-hour week is now about 65 dollars as compared to less than 23 dollars in 1937. By getting the sizeable increase in the recent negotiations, John L. Lewis has again demonstrated why he commands such a loyal following among the nation's miners.

World Police

The United States wants the United Nations to have a police force with real striking power. In estimates recently submitted to the UN Security Council, the American members of the Military Staff Committee called for a force of about 500,000 men to keep world peace. Such a force would include 3,800 military planes, 20 divisions of ground forces, and more than 200 war vessels. It is believed that such a force would be capable of handling anything short of a major war.

All other members of the Big Five, except Russia, submitted estimates. All of them were lower than those of the United States. The Russians said that no estimates should be made un-

til the general principles of the security force were set up. Under the terms of the UN Charter, each of the Big Five would hold its share of the police force within its own country in readiness for a call from the Security Council to repeal aggression.

The submitting of estimates is a greater advance toward a world police force than the League of Nations was able to accomplish in 25 years. However, it may be some time before such a force is actually established. The Military Staff Committee cannot agree on the make-up of the international force.

The United States says that each nation should contribute according to its ability. For example, the United States might specialize in planes, England in war ships, and so on. Russia, however, believes that each of the Big Five should make equal contributions in each category. This would mean, for example, that China, which has very few planes, would contribute as many planes as the United States. This deadlock is now blocking progress toward a world police force.

Belgian Recovery

In an impoverished Europe, most of which is looking toward America for aid, little Belgium stands out as one nation which has recovered its pre-war standards of living through its own efforts. While Germany still occupied Belgium, the Belgian Government-in-Exile mapped out a recovery plan which has given the little North Sea country a prosperity enjoyed by none of its neighbors.

Imposing as few controls as possible, Belgium has stressed production and the importation of goods to satisfy the home market. The sale of copper, diamonds, palm oil, and uranium ore from the rich Congo Colony has helped to finance large imports of food and raw materials.

Inflation has been largely prevented by rationing basic commodities, cutting prices, keeping wages down, and raising taxes. The Belgian leaders reasoned that, by building up the nation internally, they would weaken the black markets and at the same time strengthen the morale of the workers for further production. Only then would Belgium undertake an export



THE RINTAKU, a bicycle cart, has become increasingly popular in Japan. Two passengers can be accommodated in it—and the fare is moderate. Bicycles, the rintaku, and the jinricksha are being used more and more by the Japanese because of local transportation shortages.

program. Most European countries have stressed exports at the expense of building up their internal economy.

The program has been generally successful. Belgium's industrial output is higher than in prewar days. Electric power production is greater than ever before. Unemployment is negligible. Rationing is ended although wages and prices are still under control. High prices and a lagging coal output are Belgium's two chief problems today. If Belgium is to compete with other countries in the export program which it is now emphasizing, the price of goods may have to be reduced.

Some people have attributed Belgium's prosperity to its comparatively unregulated economy. Another factor, it is pointed out, is the head start of Belgium's factories over those in other European countries. Since the Allied Armies liberated Belgium in less than a week, few factories were destroyed. Starting operations immediately, many of them found a steady market among the Allied forces which occupied Belgium until the end of the war.

Election in Spain

The people of Spain recently went to the polls for the first time in eleven years. By what appeared to be a majority of more than 90 per cent, they confirmed Generalissimo Francisco Franco as Chief of State for life, established Spain as a kingdom, and provided machinery for selecting Franco's successor. The outcome of



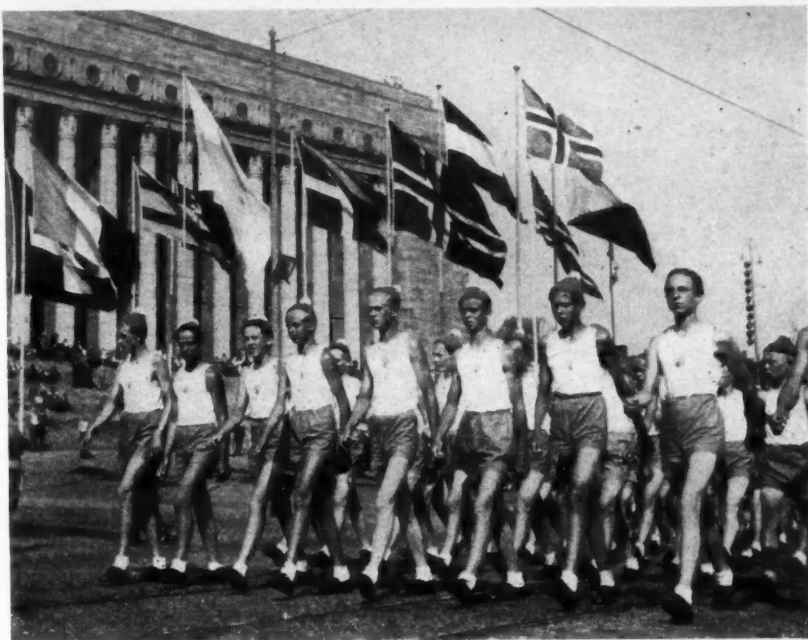
THIS 25-CENT STAMP will carry air mail letters to areas in the Pacific, in Asia, and to parts of Africa. It will first be put on sale in San Francisco on July 30.

the balloting surprised no one. It was in keeping with the urgings of the government-controlled radio and press.

In Spain there is little opposition to the government. Balloting is denied to 1 1/4 million Spaniards guilty of "political crimes." Counting and caring for the ballots are in the hands of the government. In the recent referendum some of the secret opposition protested by refusing to vote. Since their identity cards were stamped at the polls, many, however, decided to cast ballots rather than risk losing their jobs and their ration cards. They felt that an unstamped identity card might penalize them in future dealings with the government. Others sincerely support Franco.

Royal Engagement

The engagement of 21-year-old Princess Elizabeth, who presumably will someday be the ruling sovereign of England, and Lieutenant Philip Mountbatten, formerly a Prince of Greece and now an officer in the British Navy, has recently been announced. As the eldest daughter of King George VI and Queen Elizabeth, who have no sons, Princess Elizabeth will ascend



A PARADE at the opening of the Finnish Festival Games held in Helsinki, Finland, recently. A small part of the 70,000 participants, who represented many countries, is shown here.

the British throne upon the death of her father. When she does so, she will be the first woman to succeed to the British throne since her great-great-grandmother, Queen Victoria, who ruled over the Empire for sixty-four years.

Lieutenant Mountbatten, who was born on the Greek island of Corfu twenty-six years ago, is a distant cousin of the Princess. He is now a British citizen. When Princess Elizabeth becomes Queen, Philip will have no title unless Parliament gives him one. The marriage of the royal pair will take place in Westminster Abbey, perhaps in October.

Venezuelan Constitution

A new Constitution, believed to be one of the most advanced in the western hemisphere, is now in effect in Venezuela. The document is chiefly the work of the Democratic Action Party, which has been governing the South American nation since the revolution of October 1945. Recognizing the rights of private property, it gives labor the right to organize and strike. Monopolies are prohibited. The rights of education, health, and employment are guaranteed to the individual under the new law.

The machinery of the Venezuelan Government will be much like that of the United States. The new Constitution provides for a president, elected for a four-year term. There will be a two-chamber legislative body and a judicial system headed by a Supreme Court. An article which has aroused much protest permits the president to choose the governors of the states. After two years this article will be submitted to the people for their approval or rejection in a popular vote at the polls.

The new Constitution represents a great step forward for the country which for 27 years was under the tyrannical thumb of the notorious dictator, Juan Gomez. In the last few years Venezuela has made a great advance toward democracy. Venezuela's wealth is in its vast oil resources. The government is prosperous because of taxes and royalties collected from British and American oil companies.

Venezuela's greatest problem is to

increase the production of things other than oil and thus cut down the high cost of living. If it is to develop its resources, it must also attract immigrants. Although Venezuela is 1 1/3 times as big as Texas, its population is less than 4 million—a little more than one half that of the state of Texas.

Underseas Mountains

Scientists are now exploring a mountain range two miles high, yet submerged in the Atlantic Ocean. They are centering their research among underseas peaks, 1,200 miles east of Bermuda. Probing the range with depth finders and dredges, they are attempting to chart the peaks and valleys and to find the depth of mud deposits. The expedition is jointly sponsored by Columbia University, the Oceanographic Institution of Woods Hole, Massachusetts, and the National Geographic Society.

The peaks under exploration are part of a great range, called the Atlantic Rise, that runs from Iceland almost to the Antarctic regions. Whenever the crest of the Rise breaks the surface of the Atlantic, islands are formed. The Azores and tiny Ascension Island are two of the highest

peaks of this long underseas mountain chain.

The deepest valley in the Atlantic does not adjoin the Atlantic Rise, but is found near Puerto Rico where the ocean is more than 5 miles deep. The record ocean depth of about 6 3/4 miles is in the Pacific Ocean.

Molotov Plan?

A Molotov Plan for the economic rehabilitation of central and eastern Europe is reported to be in process of preparation in Moscow. Although the Soviet Union has been secretive about such a plan, many people feel that it is not an unexpected step.

Since the Russians have apparently forbidden their satellite nations to take part in the Paris conference on the Marshall Plan, it seems natural that they must devise a substitute plan if they are to keep their tight hold on the countries behind the iron curtain. It is believed that the recent breakdown of negotiations between Great Britain and Russia over a trade treaty may have been a result of the reported Molotov Plan. If Russia is to have to help her satellite nations she cannot send as much grain and timber to Britain as she originally planned.

French India

The French Indian National Congress has asked France to fall in line with the British and to give up French settlements in India. Although the French may make some concessions, it seems unlikely that they will quit India at this time. The French territories there are conveniently located on the route to French Indo-China, and they are important because of this fact.

French possessions in India consist of five small scattered territories. Situated on or near the coast they cover a total area of less than 200 square miles and have a population of about 323,000. These five small areas are all that remain in India of the French empire envisioned by the ambitious colonial governor, Joseph Dupleix, in the 18th century. Dupleix's attempts at expansion were thwarted by the British under Clive and Lawrence. Today all that remains of French India is ruled by a governor who resides at Pondicherry in south-eastern India.



ARAB FARMERS in Palestine use primitive threshing methods. Small boards weighted down (here by small boys) are pulled across the grain. The weight and the friction break the outer covering and release the wheat kernels.



GERMANY EXPORTED almost one and a half billion dollars' worth of goods to other European countries in normal prewar years, and imported more than a billion dollars in goods from them. The percentage of each country's total imports received from Germany in 1937 is shown on the black squares in the chart above. The percentage of each country's total exports that went to Germany is shown on the white squares.

Germany's Role

(Concluded from page 1)

from World War I, we may well ask whether it is possible to rebuild Germany without destroying the political security of Europe.

The question is a pertinent one, but the fact that it can be raised does not necessarily imply that we must answer it in the negative. History shows that prosperous, contented peoples are generally inclined toward peace. For example, the German Republic which came into being after World War I was peaceful enough so long as business was booming. During the good years between 1924 and 1929, troublemakers like Adolf Hitler received little support from the people. It was not until depression came in the early 1930's that the Nazi leader gained strength.

It would be risky to conclude that prosperity alone will make Germany a peaceful member of the family of nations. Just before each World War, her people were reasonably well off by European standards. But neither in 1914 nor in 1939 did that fact keep them from following reckless leaders into a disastrous war. Obviously, we must find out to what extent Germany's economy can be restored without becoming a dangerous weapon for some future Hitler.

Recovery Vital

This problem, difficult though it is, must be solved. Germany's recovery is of vital importance to the whole of Europe. Her neighbors have always used large quantities of German coal, machinery, chemicals, and textiles, and today their need for such commodities is little short of desperate. War-ravaged countries must have German goods to repair the damage done by the Germans themselves. Other nations need German coal and machinery to build up industries that were starved or stunted during the lean war years.

On the other hand, Germany's neighbors have products which they would like to sell her. These commodities Germany sorely needs, but she cannot buy them until she has goods to sell.

The Netherlands, for instance, wants to export vegetables to Germany in exchange for German fuel and machines. Such trade would benefit both countries. It would help the United States, also, for we should no longer have to lend the Netherlands money for buying American machinery or lend Germany funds with which to purchase our foodstuffs.

It can be said that German industry is the driving shaft to which the economies of all other European nations are geared. Until Germany's wheels are spinning rapidly again, there is small hope for recovery in the countries around her.

But it is no easy matter to set the German driving shaft whirling at the old speed. Indeed, our primary object since Germany's defeat has been to keep it from stopping completely.

Germany's failure to snap back can be explained largely in terms of three great difficulties. The first is psychological. Twelve years of Hitler's dictatorship, six years of grueling war, and the humiliation of invasion, defeat, and occupation have all combined to destroy the people's initiative and sense of responsibility.

Germans work as well as ever if they are told exactly what to do, but they flounder helplessly when they are asked to make decisions of their own. Nevertheless, most decisions must be of their own making. Our occupation authorities lack sufficient personnel to direct the German economy in detail, and even if they had it they would be unwilling to use it for the purpose. The Germans must learn to administer their affairs under a system of popular government and free enterprise.

The second reason for Germany's failure to recover is the physical exhaustion of her people. For two years the average German has had to live upon a ration which at best reached

1,550 calories per day—about three-fourths the minimum acceptable to the United Nations Food and Agriculture Organization. With housing and clothing also scarce, it is no wonder that the people's health has declined and that they can no longer do heavy work.

A third reason for the slowness of Germany's progress is the scarcity of capital available for rebuilding wrecked factories, equipping mines, constructing homes for workers, purchasing raw materials, and restoring the fertility of farms. War devoured a large part of Germany's resources, both in money and raw materials, and until she can obtain new capital—either through her earnings or through loans—she cannot hope to recover.

Constructive Efforts?

Here, then, we have the three principal obstacles which stand in the way of Germany recovery. What are we doing to overcome them?

The first difficulty, Germany's psychological trouble, can be remedied only by re-education over a long period of time. An important phase of this re-education is the Germans' resumption of responsibility for managing their own affairs. In local and state governments throughout the British and American zones, self-rule is virtually complete except for the military authorities' power of veto. At higher levels, too, the Germans manage their governmental affairs to a considerable extent, with the American and British occupation officials acting chiefly in a supervisory capacity. As we have said, however, the German efforts at democratic administration are for the most part clumsy and ineffective. It will probably be quite a while before they become efficient.

To overcome the second difficulty—the poor physical condition of the people—Germany must have more food and better housing. Here, again, the remedy is much easier to prescribe than to provide. Food and materials are scarce, not only in Germany, but throughout the world.

Many of the countries that helped us win our victory need food and shelter at least as urgently as the Germans. But every shipload of grain and supplies that goes to Germany keeps us from sending just so much to one of our allies. In the long run, as we have pointed out, food sent to revive Germany will play a part in reviving her victims, also. But her victims are very hungry, and they cannot always be expected to take the long view.

The same problem confronts us in eliminating the third difficulty, Germany's need for funds. An entire world wants credits with which to buy American machinery and other goods, and there is a limit to the quantities we can export without receiving anything in return. Many of the nations wrecked by the Germans need loans as badly as Germany does, yet every dollar we lend our late enemy is a dollar we cannot lend to our former comrades in arms.

We have already put up large sums to provide basic necessities for the German people. In 1945 and 1946, the American and British armies spent lavishly to import commodities needed to prevent famine, disease, and unrest in Germany. In addition, they turned over mountains of surplus army goods for the use of German civilians. The money which we are spending on the Germans is supposed to be repaid, of course, but only after their country has reached a reasonably high level of production. Our funds will be tied up for years to come.

So much for the major handicaps which retard German progress and for the measures proposed to overcome them. It should be remembered that the approach of German recovery will bring us face to face with the most serious problem of all—the necessity for controlling a revitalized and potentially dangerous Germany. Somehow the powers that checked German expansion twice in a single generation must see to it that this force is never again permitted to disturb the peace and security of the world.

Germany's Borders to Change Again

Postwar Losses Will Make the Nation Smaller Than It Has Ever Been

WHEN Germany's future role in Europe is at last settled by peace treaty, there will be new outlines to show her place on the map of the continent. Before the war ended, it was decided that she should lose some territory in the east—including East Prussia—to Poland and Russia, and there is a possibility of further losses in the west.

The changes in boundaries will leave Germany smaller than she has been at any time since she was first united as a nation. Some of the states, or parts of states, which she is losing were among the areas first assembled to form the German nation.

It was not so long ago, as history goes, that this work of unification took place. Such nations as France, England, Switzerland, Spain, and Portugal existed in much their present outlines some three centuries ago, but what we now call Germany still consisted of a large number of relatively independent states until about three-quarters of a century ago. Often at each other's throats, these states were only loosely held together by various confederations and empires.

For a thousand years—from the time of Charlemagne until the time of Napoleon—the German states made up the largest part of the Holy Roman Empire. After the 13th century, the "ruler" of this empire was chosen by the heads of a few of the more powerful of the German states. From the 15th century on, these leaders always chose the ruler of Austria to be emperor. For a long time, this made Austria the most powerful of the German states, and the Austrian rulers—the House of Hapsburg—enjoyed a great deal of prestige and influence.

Actually, however, the emperors had great trouble trying to establish real power outside of Austria. Attempts made by various of the Hapsburgs to bring the hundreds of other German states into full subjugation failed. Finally, at the end of the Thirty Years' War (1618-1648), the Treaty of Westphalia broke Austria's authority almost completely, and thereafter the German princes governed their states much as they pleased.

Brandenburg Rises

The one German state which increased in power and possessions during the bloody Thirty Years' War was Brandenburg, whose rulers were Hohenzollerns. Under several astute rulers, the Brandenburg territories over the northern part of the Empire were by the beginning of the 18th Century enlarged and consolidated into the Kingdom of Prussia. The other German states to the north began to look to this new kingdom for protection, while the southern areas favored Austrian leadership. German history thereafter became the story of the conflict between the two powers—Prussia and Austria.

Prussia's greatest gains were made from 1740 to 1786, under Frederick the Great. Not only did Frederick strengthen the nation internally, but he built the best army in Europe and fought two long wars, enlarging Prussia by taking Silesia from Austria and West Prussia from Poland.

A decade after the death of Frederick, Napoleon began his attempt to

weld all Europe into a single empire—a venture which involved the destruction of the old German political system. He succeeded in defeating Austria, abolishing the Holy Roman Empire, placing western Germany in a Rhine Confederation, and conquering Prussia. But more than that, he stirred up a hornets' nest by hastening the day of German unification. The German people stood as one in their opposition toward France, and they began to think and feel as a unit.

After Napoleon's downfall, the Congress of Vienna (1814-1815) organized the 38 remaining German states into the German Confederation, which was to last with only slight interruption for half a century, and in which influence was still divided between Austria and Prussia.

When Otto von Bismarck became prime minister of Prussia in 1862, he believed that Prussia could become a great state through which Germany might at last be unified. Realizing that Austria was a dangerous rival which must be excluded from the nation of his dreams, he built up the Prussian army until it was Europe's most powerful and with it defeated Austria. This left Bismarck free to annex a great portion of northern Germany to Prussia in the North German Confederation, with Austria left out. (For its part, Austria was transformed into the Austro-Hungarian monarchy, which lasted until World War I.)

Four States Outside

Four sizeable south German states remained outside the Confederation—states which formerly leaned on Austria and which now preferred to remain independent. Bismarck took a roundabout way of bringing them into line: first, he goaded the French

into declaring war on Prussia; then he persuaded the south German states that they as well as Prussia were menaced by France, so that they willingly joined the German Confederation.

The united German states defeated the French and forced them to give up Alsace and part of Lorraine. Except for Austria, Germany was now united for the first time since Charlemagne. As the German Empire, it remained the most powerful state on the continent of Europe from 1871 until its defeat in World War I.

After World War I

After World War I, Germany had the territory shown in the map on this page. Before Hitler seized Austria and Czechoslovakia, there were 16 German states. Prussia, with 113,000 of the nation's 182,000 square miles, was the dominant state, stretching across the northern half of the country. Prussia itself was divided into 14 provinces, including East Prussia (now absorbed by Russia and Poland), Pomerania, Silesia, Brandenburg, Westphalia, and the Rhineland.

Scattered throughout Prussia are a score of bits, large and small, which belong to other states. For example, there are five separate pieces which make up Brunswick and three that comprise Anhalt. On the other hand, small bits of Prussia are scattered within the boundaries of Wurtemberg and Thuringia. Similarly, Bavaria (Germany's second largest state, with 30,000 square miles) is in two separated pieces, with the Palatinate lying west of the Rhine.

If our own states existed in similar proportion and arrangement, Texas alone would make up five-eighths of the nation's area. Rhode Island would be chopped into two pieces, Delaware

into three, and West Virginia into five, and all of the parts would be scattered throughout Texas.

In addition, a part of Texas itself would be cut off and located in Mexico or Canada, and other little chunks would be found within Iowa, Illinois, and Georgia. New York City and Philadelphia would be states.

This is approximately the way the state divisions of Germany are laid out. When the Nazis were in the saddle, all political power was stripped from the states, but the divisions were retained.

Today, of course, Germany is still further divided into occupation zones, and it remains to be seen how the German states will be reshaped after the occupation comes to an end.

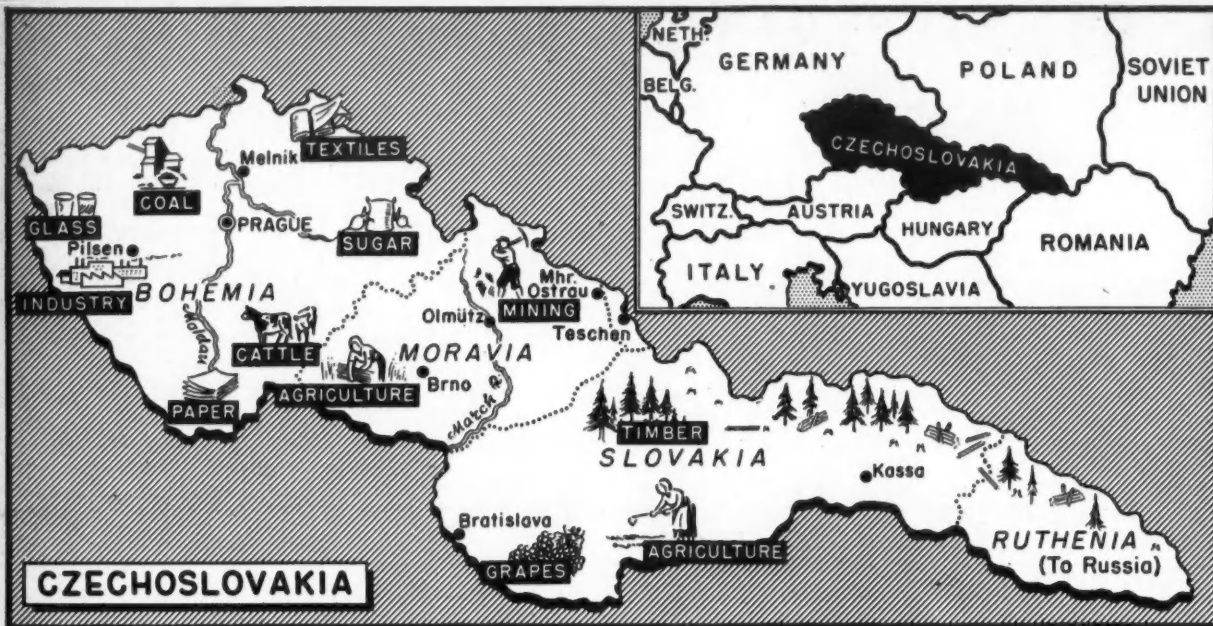
Pisa's Leaning Tower leans a little farther each year. Italian engineers say it needs a million-dollar foundation, but this work will have to wait until other postwar reconstruction jobs are done.

The famous marble tower began to dip when it was only about a third finished. This was because it had been built on soft ground. To prevent the tower—which is the belfry for a nearby cathedral—from toppling over completely, engineers want to force concrete into the ground under it. This would provide a floor twenty feet deep and one hundred twenty feet wide.

The tower is 179 feet high, and now slants more than 16 feet from the perpendicular. It is increasing this slant at a rate of one twenty-fifth of an inch each year. While, at this rate, it would take several centuries before the tower keeled over, engineers want to begin the new foundation within the next 10 years.



GERMANY'S PROVINCES as they were after World War I



CZECHOSLOVAKIA with her resources and industries. The inset shows the country's prewar boundaries. Ruthenia, the easternmost province, was ceded to Russia in postwar settlements. The country does not expect to lose other territory.

A Nation That Is Facing Two Ways

Czechoslovakia Must Get Along with Both East and West

THE decision of Czechoslovakia not to attend the Paris conference on United States aid to Europe is disappointing. After originally accepting an invitation to attend, the Czechs backed out when their Premier and Foreign Minister conferred with Stalin in Moscow. It was announced that "acceptance of the invitation might be construed as an action against the Soviet Union."

Czechoslovakia's withdrawal dashes the hopes of many observers who had believed that the little Central European country might be able to serve as a bridge for the exchange of ideas and understanding between the East and the West. Some people had felt that Czechoslovakia, which earlier signed a trade treaty with the Soviet Union, was already a Russian satellite. However, her original decision to participate in the Paris conference had raised the hopes of the western democracies that Czechoslovakia might yet fill the role of a "go-between" rather than fall entirely into the Soviet sphere.

Czechoslovakia's attendance at the Paris conference would have been encouraging in another respect. The Marshall Plan calls for the European nations to set up a system of mutual aid before they receive assistance from the United States. Few countries are in better position than Czechoslovakia to contribute to such a program.

Although industry and trade are not yet back to prewar standards, Czechoslovakia, which is about the size of New York state, has a remarkably well-balanced economy. Her fields are fertile and more productive than those of her neighbors. The chief crops are potatoes, sugar beets, barley, wheat, rye, and oats. In Czechoslovakia's orchards grows the best fruit in central Europe. Her farmers raise large numbers of cattle, pigs, ducks, and geese. In food, it is possible for Czechoslovakia to be almost self-sustaining.

In addition to her agricultural abundance, Czechoslovakia is highly industrialized. Extensive coal mining is carried on. Iron and steel are manufactured, and there are many textile mills. The glass works of Bohemia are noted for the quality of their

products. Semi-skilled hand laborers make a wide variety of miscellaneous products that, before the war, found a ready market in the United States.

Despite shipping difficulties and a scarcity of raw materials, Czechoslovakia has come nearer to attaining prewar levels in agriculture and industry than any of her neighbors. That this is so is a tribute to the well-educated, industrious Czech people who, only 8 years ago, saw their country completely broken up and the remnants go under Nazi domination. With Russia exerting pressure on them, it remains to be seen to what extent the Czechs will be able to enjoy the fruits of their hard-won freedom.

Democratic Beginnings

After World War I the Czech nation was carved out of the Austro-Hungarian Empire. During the next fifteen years a strong government was established on sound, democratic principles under the leadership of President Thomas Masaryk. Land reforms were carried out. These reforms were distasteful to some of the large German population living in Sudetenland, the Czech area bordering Germany.

The Nazis played upon the discontent of the Sudetenland Germans, and soon after the occupation of Austria in 1938, Germany made certain demands of Czechoslovakia. The infamous Munich Pact followed in which the large powers of western Europe

handed over the Sudetenland to Hitler. Six months later the Nazis declared the Czech territory a German "protectorate" and made the province of Slovakia an "independent" state under German tutelage. Hungary seized most of the eastern province of Ruthenia.

From that time until the Allied armies liberated the country in May, 1945, Czechoslovakia existed only as a government-in-exile in London. Meanwhile the Czech people underwent harsh treatment. When "Hangman" Heydrich, the Gestapo terrorist who had been sent to Czechoslovakia to discipline the people, was assassinated, the Nazis ruthlessly annihilated the town of Lidice.

With the end of the war President Benes returned to Czechoslovakia. A program of moderate socialism was undertaken. Two-thirds of the Czech industries are today nationalized, including coal mines, power plants, banks, and many of the metal factories and food industries. Both agriculture and retail trade are in private hands, and the Czech leaders say there will be no further nationalization. Under a Two-Year Plan now in effect, the Czechs aim by the end of 1948 to have national production about 10 per cent above 1938. Most people feel that the Czechs are trying to establish a compromise between state control and individual liberty.

In the election of June, 1946, the Communists received 39 per cent of the votes, more than any other party. As a result a Communist, Klement Gottwald, is now the premier. Communists hold nine of the seventeen posts in the Czech cabinet. However, Communists and non-Communists in the coalition government seem to be getting along together better in Czechoslovakia than in most countries. By democratic standards the government seems to be "free." Many people are wondering if it can continue to remain free in the face of increasing pressure from the East. Others are wondering if the Communists will continue to cooperate with the other political parties.

Geographically, politically, and economically, therefore, Czechoslovakia is important to Europe.



EDUARD BENES, President of Czechoslovakia

Study Guide

Marshall Plan

1. According to Barnett Nover, what motives do the Russians see in the United States' offer of assistance to Europe?
2. What fear do the Russians have concerning the United States' use of its economic power in Europe, according to the *Christian Science Monitor*?
3. What does the *Chicago Daily News* say will be determined by the outcome of the so-called "white war" in Europe?
4. On what, according to the *St. Louis Post-Dispatch*, are the Russians taking a chance in their refusal to take part in the Marshall Plan?
5. What defect does Sumner Welles find in the Marshall Plan?
6. What does Anna O'Hare McCormick think is the basis of Russia's withdrawal from the economic conference?

Discussion

1. Do you think Secretary of State Marshall's offer to Europe was made to enable the United States to dominate the Continent politically? Explain your answer.
2. In your opinion, should Congress appropriate the funds necessary to carry out the Marshall Plan, and should the American people be willing to accept rationing in order to help rebuild the Continent? Give your reasons.

Germany

1. What is the danger in allowing Germany to rebuild her industries?
2. What does history show about the willingness of prosperous, contented people to accept aggressive dictatorships?
3. List several products that other European countries have obtained from Germany in the past.
4. Name products that other countries on the Continent would like to sell to Germany.
5. Give two reasons for Germany's inability to recover after the war.
6. Explain how one of these difficulties can be overcome.
7. What have Great Britain and the United States done thus far to help Germany recover?

Discussion

1. Suggest ways in which our government might prevent Germany from threatening world peace, while at the same time allowing her to rebuild her economic life.
2. From your reading in this paper and elsewhere, do you think Europe can recover without German aid, or do you think German industry is vital to other countries on the Continent? Explain your answer.

Miscellaneous

1. True or false: Czechoslovakia is highly industrialized and depends upon other countries to supply her with food.
2. What state dominated the other German states when they were a part of the Holy Roman Empire? Which was the dominant state in Germany after World War I?
3. Which European nation has recovered remarkably well during the post-war period?
4. Give three provisions of the new Venezuelan Constitution.
5. What is meant by the Molotov Plan?
6. How did the fiscal (bookkeeping) year of the federal government which ended June 30 differ from the last 17 fiscal years?

Pronunciations

Benes—bē'nēsh
Gottwald—gōt'vahltd
Heydrich—hī'drīk(h)
Lidice—lē'dī-tse
Masaryk—mah'sa-rēk
Ruthenia—roo-thē'nī-a
Sudetenland—soo-dāt'n-land
Thuringia—thur-rīn'jī-a
Palatinate—pah-lāt'i-nāt